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FROM THE ROLLBACK OF COMMUNISM TO BUILDING BRIDGES: THE U.S. AND THE SOVIET BLOC COUNTRIES FROM THE HUNGARIAN REVOLUTION OF 1956 TO THE PRAGUE SPRING IN 1968

1. The failure of the “liberation policy” (1956–1961)

One of the most obvious lessons of the events in Poland and Hungary in 1956 for the U.S. was the failure of its official policy pursued vis-à-vis the European communist countries since 1953. The policy of the “rollback of communism” and the “liberation of the captive nations” turned out to be no more than empty rhetorics during the first days of the Hungarian Revolution in October 1956. President Dwight D. Eisenhower wondered at a meeting of the National Security Council (NSC) on October 26 if the Soviet Union would not “tempted to resort to extreme measures, even to start a world war” in case it lost its power over its satellites.¹ As a matter of fact, the President harbored some doubts about his Secretary of State, J. F. Dulles’s sharp anti-Communist rhetoric since 1953.² The way-out in this dilemma was offered by adopting a strictly legalistic-moralistic approach toward the events in Eastern-Europe and the Middle-East. The leading American statesmen denounced the use of force in international matters as “immoral” and called upon the Soviet Union as well as Izrael and the latter’s allies, Great Britain and France to abstain from aggression. The forum for this action was provided by the General Assembly of the UN and its resolutions; but while the U.S. made great efforts to enforce the resolutions regarding the Middle

¹ Eisenhower, Dwight D. *Waging Peace, 1956–1961*. Garden City, N.Y., 1965. 67.

² Bundy, McGeorge. *Danger and Survival*. New York, 1990. 253.

East, it did not do too much to do the same as far as Hungary was concerned. Dulles concluded with some satisfaction in mid-December, 1956 that the 60 satellite divisions “could no longer be regarded as an addition to Soviet forces—in fact they may immobilize certain Soviet forces.”³

The U.S. Congress realized the need for a shift in the policy toward Europe in general, and Eastern-Europe in particular. A Congressional delegation was dispatched to the West-European capitals in April 1957, two members of the delegation, Alwin M. Bentley and James G. Fulton visited Poland and Yugoslavia as well. The Congressmen in their report called for a more active American policy concerning the East-European nations in the fields of international relations, economic ties and even propaganda.⁴ Senator John F. Kennedy urged that the administration do its best to promote “peaceful change behind the Iron Curtain whenever this would help wean the so-called captive nations from their Kremlin masters.”⁵ This shift in tone was noticed—among others—by the Hungarian chargé, Tibor Zádor, who reported about a changing American-Polish relationship: Wladyslaw Gomulka was treated as a “Communist but a good Polish patriot”, the so-called national Communism (the Yugoslav model) was promoted by the American leaders, and even the American-Bulgarian relations improved: the two countries broke off diplomatic relations because of a spy-case in 1951, but in the summer of 1957 the American administration lifted the prohibition for American citizens visiting Bulgaria and the administration was even busy preparing an answer to two former Bulgarian notes, which suggested the restoration of the diplomatic ties between the U.S. and Bulgaria.⁶ In a broader sense, the exchange of messages between the Soviet Union and U.S. in late 1957 and early 1958 can also be seen as a sign of easing the tension between the two blocs. The Soviets, namely Premier Bulganin, suggested the freeze of nuclear testing, the demilitarization of Central-

³ See John Lewis Gaddis's remark; In: Immermann, Richard H. ed. John Foster Dulles and the Diplomacy of the Cold War. Princeton, N.J., 1990. 65.

⁴ Congressional Record. 85th Congress, 1st Sess., Vol. 103. XIII. (H) 9324–9326. (June 26, 1957).

⁵ New Hungarian Central Archives. XIX-J-1-j, USA TÜK Box 9, 5/b 001338/6; 001338/3; and 001338/5.

⁶ Foreign Relations of the United States (FRUS). 1958–1960. Vol. V. Part 1. Eastern Europe Region: Soviet Union; Cyprus. NSC 5811/1, May 24, 1958. Washington, D.C. 1993. 18–30.

Europe and a non-aggression treaty between the NATO and the Warsaw Pact, while President Eisenhower in his reply on January 12, 1958 proposed the termination of the veto right of the great powers in the Security Council, the unification of Germany after free elections, the free choice of the form of government in Eastern-Europe as stipulated at Yalta, and the termination of the arms race. The points relevant to Central-Europe were picked up by others as well: the Polish Minister for Foreign Affairs, Adam Rapacki broached the idea of a nuclear-free Central Europe, while George F. Kennan in his Reith-lectures on the BBC elaborated on the theme of "disengagement", that is the mutual withdrawal of troops from the region. As the Western leadership believed that either of the plans would give unilateral advantages to the Soviets in the military field, neither of them was accepted. Instead, the NSC spelt out the mainlines of the new American goals in Central-Europe in the spring of 1958. The report declared that "the Soviet control over the region ... is ...a threat to peace and to /the/ security of the U. S. and Western Europe. ... Poland's ability to maintain the limited independence gained in October 1956 will be a key factor affecting future political development in Eastern Europe /and Yugoslavia/ ... The current ferment in Eastern-Europe offers new opportunities, though still limited, to influence the dominated regimes through greater U.S. activity, both private and official, in such fields as tourist travel, cultural exchange and economic relations, including exchanging of technical and commercial visitors."⁷ The report warned that major East-West agreements would run the greatest risk, so the policy of "small steps" should be preferred in this situation. As for Hungary, the NSC maintained that because the country had become an important psychological factor in the world struggle, the U.S. policy pursued here should not compromise the "symbol" which Hungary had become.

The Eisenhower Administration thought that field to yield the greatest success might be that of the economic relations: on August 14, 1958 the administration announced the reduction of controls on exports to Soviet bloc countries.⁸ The initial steps were rather promising for the Americans, at least as far as Poland was concerned.

⁷ The Department of State Bulletin (DSB). Vol. XXXIX, No. 1002. September 8, 1958. 392.

⁸ Gardner. Lloyd C. *A Covenant with Power*. New York-Toronto, 1984. 125.

Economic relations were established between the two countries in 1957, negotiations started concerning cultural exchange programs, and Vice-President Richard M. Nixon visited Poland on August 2–5, 1959. However, the reaction of the Polish people to the visit startled Gomulka and the Communist leadership in Poland, who had pursued a conciliatory policy toward the U.S. in 1957 and 1958 mainly as an attempt to establish some counterbalance to the heavy Soviet presence in the region. The Soviets were also more restricted in these years than before because they did not want, and could not afford, to have “another Hungary”; however, from 1959 on they were able to put more pressure on the Polish leaders and Gomulka was a “good Communist” in the first place and a “good patriot” only in the second, after all. The positions became more rigid and confrontational on the other side too: the U.S. Congress passed the Captive Nations Resolution in July 1959, and the July 27, 1960 report of the NSC stated that the establishment of the economic, cultural, technical, etc. fields could not be effected without the cooperation of the other side; in short: the Eisenhower Administration accepted the then dead J.F. Dulles’s proposal that the socialist countries were only “inching their way” toward independence and it was in the interest of the Atlantic Community not to interfere with the pace of it in any way.⁹

US–East-European Economic relations in the 1950s

The economic relations between 1948 and 1956—if we can speak of any at all—were defined by the various commercial restrictions and embargoes: the political concept of a “monolith Communist bloc” resulted in a “monolithic” economic policy. First of all, the Anti-Dumping Act of 1921 was still in force and as the economic relations of the socialist countries were distorted by the political considerations, “dumping” could also be evoked against the export of goods of these countries. Another pre-World War II act, the Johnson Act of 1934 was also still in existence, which provided that the American business enterprises could extend loans and credits to the so-called non-friendly countries only for a period of six months; the East-European countries were always short of foreign exchange and therefore they were interested in medium- and long-term loans in the first place. Congress

⁹ Quoted in McKitterick, Nathaniel M. *East-West Trade*. The 20th Century Fund, 1966.18.

attached a clause to the Foreign Aid Act in March 1948: Section 117(d) excluded countries from the Marshall-aid which exported material under export embargo in the U.S. to any European countries which were not beneficiaries of the aid-program. As for the list of goods forbidden to be exported to the Communist countries, the Export Control Act of February 28, 1949 provided for a unilateral American commitment; it was later supplemented by an international list of embargoed items on November 22, 1949. The CG-COCOM list (Consultative Group Coordinating Committee) of January 1, 1950 was accepted by 15 Western countries by 1953. Furthermore, these countries put together the CHINCOM-list, i.e. the list of embargoed goods with relation to China during the Korean War, while in the U.S. another act forbade the import of woolen goods from Eastern European countries, which maintained contacts with North Korea or China or which re-exported the goods of the latter countries. The Foreign Affairs Committee of the House of Representatives under the chairmanship of Laurice C. Battle proposed an act about a more extensive list of embargoed goods than the COCOM-list; President Truman signed it on October 26, 1950. The Battle Act of 1951 (Mutual Defense Aid Control Act) threatened any country with an embargo which was regarded as a security risk to the U.S. The same year, the most favored nation status was revoked from all the Communist countries and all economic ties with the Soviet Union were broken.

This long list of prohibition was somehow broken only in 1954, in the wake of the death of Stalin, when Congress passed the Agricultural Trade Development and Assistance Act (commonly known as PL 480), which made the export of agricultural surplus possible. At the same time, Prime Minister Winston Churchill suggested in the House of Commons on February 25, 1954 that substantial relaxation be effected in the field of supplying raw material and manufactured goods to the Communist countries.¹⁰ The restrictions in the East-West trade hurt the West-European countries more than the U.S.: while the former depended on the import of energy from and the export of manufactured goods to the East-European countries, the U.S. trade with this region was below 1% of the total.

¹⁰ DSB. Vol. XLII. No. 1087. April 25, 1960. 670–673.

The gradual shift in the assessment of the East-West relations made itself felt in the area of the economic relations, too. The Administration argued after 1956 that “national Communism” was kept in existence in Yugoslavia mainly because Tito opened up the country for more intensive trade relations with the West. Cautious steps were taken by the Administration in this field: for instance, the Rumanian Deputy Minister for Financial Affairs, Radu Manescu and Assistant Secretary of State Foy D. Kohler signed an agreement on March 30, 1960 to settle the outstanding financial questions between the two countries. The agreement was important for the Rumanians because under the stipulations of the Johnson Act of 1934 no country could get American loans which had outstanding financial questions with the U.S.¹¹ Later, the Hungarians, the Czechoslovaks, and the Bulgarians were also forced to enter into negotiations regarding unsettled financial issues with the U.S. because they increasingly needed the American or international loans and credits to stabilize their economies. This endeavor became one of the sources of the basic disagreement between the U.S. and the countries related to above: while the latter sought economic advantages, the U.S. had no special interest in promoting trade for its own sake. As Assistant Secretary of State for Economic Affairs Thomas G. Mann declared: “... From a purely economic standpoint, the true limitation on the magnitude of U.S. exports to Eastern Europe is the ability of these countries to earn dollars through exports to the U.S. or other hard-currency markets.”¹²

It was the Polish who had the most intense economic relations with the U.S.—besides Yugoslavia—from among the East-European states and their experience in this field frequently served as a yardstick for the other satellites. The American Ambassador to Warsaw claimed in his memoirs that the Polish Ambassador to Washington, D.C. Spasowski had a meeting in the State Department on October 20, 1956 where he told the Americans that Gomulka had to implement economic reforms and he would not decline assistance from abroad. Four days later the American representation in Warsaw approached the Polish leaders with an offer, but the Polish Foreign Minister Józef Winiewicz rejected “aid” and declared that Poland was more interested in the restoration of the most favored nation treatment. The

¹¹ DSB. Vol. XLII, No. 1093. June 6, 1960. 931.

¹² Report of the Special Study Mission to Europe on the Policy toward the Satellite Nations. Washington, D.C., 1957. 10.

international situation favored a bold Polish policy in this respect. The Soviets wanted to avoid the repetition of the events in Hungary on a larger scale—such an event would have threatened with either the dissolution of the Soviet empire in Eastern-Europe or with a third World War. At the same time, Alwin M. Bentley, a member of the Congressional delegation to Poland in April 1957 warned that “... /The present Polish regime is in a very precarious position and, if the current economic situation continues to deteriorate, could collapse by late fall. The only foreseeable result would then be a return to a Stalinist type government ... any weakening of Soviet economic domination of this area would be a net gain for the free world.”¹³ However, the Republican Administration had to reconcile its more pragmatic approach to its harsh anti-Communist stance. The dilemma was solved on January 5, 1957 when the Administration announced that “Poland was not a nation dominated or controlled by the foreign government or foreign organization controlling the world Communist movement”¹⁴, therefore the country qualified for the agricultural surplus shipments under Section 117 of PL 480. The decision triggered an intense debate in the U.S. Senator William K. Knowland opposed any economic agreements with any Communist country, while the head of the Congressional delegation to Europe in April 1957, Edna F. Kelly of New York stated that it was an “April Fools’ Day” joke to say that Poland was independent from the Soviet Union.¹⁵ On the other side of the aisle, influential politicians lobbied for the deal; let it suffice here to quote from Sen. John F. Kennedy’s address at the Overseas Press Club on May 6, 1957: “ ... Other satellites, we may be sure, are watching—and if we fail to help the Poles, who else will dare stand up to the Russians and look westward? ... /If we grant the aid/ ... we drive still another wedge between the Polish Government and the Kremlin... The basic laws governing our foreign economic policies ... recognize only two categories of nations in the world: nations “under the domination or control” of the USSR or the world Communist movement—and “friendly nations”. I suggest

¹³ Quoted in Adler-Karlsson, Gunnar. *Western Economic Warfare, 1947–1967*. Stockholm, 1968. 99–100.

¹⁴ Congressional Record. 85th Congress, 1st Sess. Vol. 103. No. XI. 7364–68 and 6845–47.

¹⁵ Congressional Record. 85th Congress, 1st Sess. Vol. 107. No. X. (S) 6457.

to you that there are more shades of /color/ than black and white ..."¹⁶ The last sentence of the speech has special relevance: it meant a departure from the bipolar world view which characterized the first phase of the Cold War (1946–1961) and pointed toward the concept of a “multipolar world”, which was elaborated on and implemented by the Nixon-Kissinger foreign policy leadership in the early 1970s. Because of this bipolar approach and the doctrines like the “massive retaliation”, the Eisenhower Administration was forced into a passivity in the East-West relations. The Administration was not able to carry out a total face-about in the Polish-question either: the agreements signed with Poland in June and August 1957 provided a 30 million dollars loan to Poland through the Export-Import Bank and allowed Poland—with the rather liberal interpretation of PL 480—to purchase agricultural surplus in the U.S. in the value of 46.1 million dollars; both sums were considerably lower than the ones the Polish asked for. However, by 1961 Poland had received the MFN-status for the second time in the face of only weak Congressional opposition and the real question was whether this liberalization of the East-West relations would be continued and extended to the other satellite countries in Eastern Europe.

2. “Great expectations” and meager results (1961–1963)

a. The Kennan-Brzezinski Doctrine

The ideological underpinning of the policies of the Democratic administrations for the better part of the 1960s is said to be determined by Zbigniew Brzezinski by a number of contemporaries and historians. It is a fact that the historian-politician became one of the most prominent members of the Policy Planning Staff of the State Department by the second half of the 1960s and later, in the Carter Administration, became the national security adviser. Brzezinski's starting point was the criticism of the foreign policy of John Foster Dulles: he believed that the “verbal hostility” took the place of real political ideas in the years of 1953–1957.¹⁷ He argued that the political shift in 1957 was only symbolic: the relatively small credit extended

¹⁶ Brzezinski, Zbigniew, “Competitive Relationship”; In: Gati, Charles, ed. *Caging the Bear: Containment and the Cold War*. Indianapolis and New York, 1974. 121.

¹⁷ Brzezinski, Zbigniew and William E. Griffith, “Peaceful Engagement in Europe”. *Foreign Affairs*, Vol. 39, No. 4 (July 1961). 642.

to Poland and the support of a few cultural exchange programs were still at variance with the professed goal of the U.S., namely, the destruction of Communist power in Eastern-Europe. In Brzezinski's reading, 1956 could be attributed to the "spirit of Geneva", i. e. it was the early *détente* that undermined Soviet political hegemony in Eastern Europe and the continuation of the relaxation of tensions would bring about the final collapse of Communism and not the confrontational style of the Republican administrations in the 1950s. Nevertheless, *détente* should not mean primarily the relaxation of economic relations: nowhere did economic aid bring about the political and social liberalization of a given country; for instance, opposition to the Soviet dominance started both in Yugoslavia and in Poland **before** American economic aid was extended to them—later the liberalization of the Hungarian political life was also introduced without any American financial pressure in 1962–1963. The solution should be a **dual** American policy: on one hand, the East-European regimes should be accepted as they were, on the other, the peoples living under their domination should be separated from them. In practice, it would amount to the maintenance of the formal relations and the encouragement and extension of the informal ones; in other words, the regimes should be "softened up" from within within the framework of a "peaceful coexistence".¹⁸ In particular, the West should (1) promote the appearance of "national communisms"; thus (2) enhance the chances of the East-European countries to loosen their ties with the USSR; and (3) ultimately create a neutral zone in the region ("Finlandization"). This program needed patient, long-ranging policies: evolution should be the goal instead of forceful "liberation".¹⁹

George F. Kennan became famous for his Long Telegram in 1946 and his article signed as "X" in the **Foreign Affairs** next year. In the wake of the Polish and Hungarian events in 1956 he modified his "containment" policy and broached the idea of "disengagement". Later, he became Ambassador to Belgrad but resigned in 1963 because of the trade restrictions imposed by the U.S. Congress concerning Yugoslavia. Upon returning, he proposed that instead of the bipolar world as conceived in the early years of the Cold War, a

¹⁸ *ibid.* 644–645.

¹⁹ Kennan, George F. "Polycentrism and Western Policy". *Foreign Affairs*. Vol. 42, No. 2 (January 1964). 171–183.

“policentric” one emerged: there were three distinct Communist blocs, namely the Soviet Union, China, and Eastern-Europe.²⁰ Kennan urged that the issue of the East-West trade was a political question in the first place, but he objected to the Congressional approach which demanded political concessions for everyday commercial deals from the socialist countries. Furthermore, the trade restrictions backfired to a certain extent: while the U.S. had an annual turnover of 200 million dollars with Eastern-Europe due to its self-imposed restrictions, Western-Europe enjoyed a 5 billion dollar-turnover with the same region annually.²¹ From the political point of view, this rigid economic antagonism only strengthened the national self-sufficiency of the East-European countries and thus the U.S. had fewer and fewer means to influence the societies there.

b. The mainlines of the policies of the Kennedy Administration toward Eastern-Europe

As we have already seen it, John F. Kennedy supported the Polish loan in 1957; in his speeches and in his **The Strategy of Peace** (1960) he proposed that the improved trade relations with the satellites in Eastern-Europe would loosen the ties between them and the Soviet Union. However, the Kennedy Administration was paralyzed by the failure in the Bay of Pigs incident, and the Vienna Summit and the erection of the Berlin Wall even further limited its activity in the region. It was mostly symbolic gestures that indicated an intended, though rather slow departure from the earlier confrontational policies and rhetoric: in 1962 the Assistant Secretary of State, William R. Tyler explained that the East-European countries were more like “junior partners” than satellites²²; Secretary of State Dean Rusk suggested that “power is being diffused from the center” in the region, though “/T/he results of this massive and glacial movement cannot be expected soon”²³; or Assistant Secretary of State George C. McGhee declared proposed that the socialist countries should be given the

²⁰ *ibid.* 173.

²¹ Cited by Wandycz, Piotr. *The U.S. and Poland*. Cambridge, Mass., 1980. 375.

²² From Dean Rusk’s speech delivered at the University of Knoxville on May 17, 1962. Rusk, Dean. *The Winds of Freedom*. Boston, 1963. 57.

²³ The Hungarian chargé, János Radványi’s report on May 31, 1962. New Hungarian Central Archives, KÜM XIX-J-1-j, USA TÜK, Box 11, 5/b 005426/1962.

chance to join the international community of the free nations.²⁴ The Kennedy Administration thought that time had come to take the initiative after the Cuban missile crisis and two of its high-ranking advisers, Walt W. Rostow and McGeorge Bundy drafted a policy paper in which they suggested the the U.S. give up its Cold War politics, recognize the realities in world politics—which would have meant the final abandonment of the “liberation” of the East-European nations. However, the plan was leaked to a Republican representative, J. Arthur Young, who demanded an explanation from Rusk. At the same time, Sen. Barry Goldwater of Arizona started to talk about an “East-European Munich” and a counter-attack was initiated in the press, too. The Administration backed off: Assistant Secretary of State in charge of Congressional matters, Frederick G. Dutton wrote a letter to Rep. Young and assured him that the plan was just a plan and no change could be expected in the East-European policies of the Administration.²⁵ It was true that no drastic changes were effected, but after the summer of 1963 President Kennedy started a more or less new course in the East-West relations: in his major speech at the American University in June 1963 he called upon the Communist countries to start a dialogue with the West on the basis of mutual interests; then the Administration signed the Atom Test Ban Treaty in Moscow on August 5; while the President announced on October 10 that he supported the intended sale of wheat to the Soviet Union and the extension of intermediate-term loans and credits to the Communist countries.

In reality, the U.S.–East-European relations meant the bilateral American-Polish and American-Yugoslav ties in the region (excluding the Soviet Union). While Albania, Czechoslovakia, East-Germany and Hungary received altogether 545 million dollar aid from the U.S. in the form of UNRRA and other programs between July 1945 and June 1962, Poland got 1356 million and Yugoslavia 2720 million dollars in various forms.²⁶ However, the economic relations were rather

²⁴ For the exchange of letters, the Goldwater speeches, and the articles printed in the Congressional Record see New Hungarian Central Archives, KÜM XIX-J-1-j, USA TÜK Box 11, 5/b 004034/2 (1963).

²⁵ Drachkovitch, Milorad M. U.S. Aid to Yugoslavia and Poland. Washington, D.C., 1963. 121.

²⁶ FRUS. UN and General International Matters. Vol. XI. 1955–57. Washington, D.C., 1988.

insignificant on the whole. The U.S. exported into the East-European countries only in the value of 167 million dollars in 1963—some 45 million dollars out of it went to Poland under PL 480. This sum amounted to 0.7% of the total export of the U.S. (23.207 million dollars). On the other hand, the U.S. imports from these countries were even lower: the import from the East-European countries in the value of 85 million dollars meant only 0.5% of the total import into America. The Cuban missile crisis affected the trade relations in an adverse way: Congress called upon the President to terminate the most favored nation status of Poland and Yugoslavia and it even accepted an amendment which prohibited the extension of aid to Communist countries. The Administration suspended the issuance of export licences to the Communist countries during and right after the Cuban missile crisis despite the fact that after Yugoslavia (1948), Poland (1960), Rumania (1960), Bulgaria also settled its outstanding financial claims with the U.S. in 1963 and thus—on paper—became qualified for American aid. In essence, the intensification of the Cold War as a result of the various crises over Berlin, the Cuban-question, and the mounting tension in Southeast-Asia (at that time, especially in Laos) all contributed to the failure of the intended new approach to the East-West relations during the Kennedy Administration.

A special case in the U.S.-East European relations in the years 1956-1962 was provided by the "Hungarian question" in the United Nations. The representatives of the U.S. challenged the credentials of the Hungarian delegates at every possible international forum after 1956; the debate about the legitimacy of the new Hungarian regime and its acceptance by the U.S. was mostly carried on in the U.N. though. On January 10, 1957 a Committee of Five was sent out to investigate into the "Hungarian question" (Australia, Denmark, Ceylon, Tunisia, and Uruguay). After a long debate, the U.S. gained enough support to block the official Hungarian delegate's admission and, in response, the Hungarian government ordered Edward Thompson Wailes out of the country: the diplomat arrived on November 2, 1956 and refused to present his credentials to the Kádár-government in protest against their collaboration with the Soviets. By the summer of 1957 ten different resolutions had been passed by the UN, which called upon the Soviets to refrain from using force in Hungary—to no avail. Under domestic pressure (both Congressional and popular), the U.S. Administration requested a special session of

the UN to discuss the “Hungarian question” on June 27, 1957. John Foster Dulles sent out a circular to the American representations around the world in which let them know the goals of the American delegation in the UN: (1) with the help of the report of the Committee of Five to refute the Soviets’ account of the events in Hungary; (2) to have the report accepted by the General Assembly in general, and by the Asian countries in particular, so as to undermine Soviet positions in the world; and (3) to make the secret trials held in Budapest against the revolutionaries public.²⁷ In reality, the U.S. maintained its strict opposition to the acceptance of the mandate of the Hungarian delegation, which slowly became a liability to the West in the East-West relations. The British Foreign Secretary, Selwyn Lloyd warned the Americans on November 26, 1957 that “many delegations at the UN in all geographical groups are at present very anxious to avoid anything likely to increase East-West tension ...”.²⁸ Moreover, the problem of the Hungarian prime minister, József Mindszenty, who fled to the American Embassy in November 1956 and eventually stayed there until 1971, could also trigger a “major quarrel ... /which/ might upset the present delicate balance in Poland by forcing Gomulka and the Polish Catholics to take sides ...”.²⁹ The expulsion of the Hungarians from the UN might have resulted in the expulsion of the Western diplomats from Budapest, and that was not in the interest of the U.S. or any other Western country as the Hungarian capital was one of the most important outposts of them in the satellite countries. With the death of the implacable Dulles, the “gradualists” gained the upper hand in the State Department and the attacks on the Soviets and their Hungarian stooges became more and more restrained. The incoming Kennedy Administration did not wish to risk its new policies toward the countries of Asia and Africa; finally, as a result of the talks started between the Americans and the Hungarians in October 1962, the U.S. dropped the “Hungarian question” from the agenda of the UN and the Hungarian government simultaneously proclaimed amnesty to those still in prison because of their activities in 1956. The case was worth discussing in details because it casts a light on the interplay of the

²⁷ *ibid.*

²⁸ FRUS. UN and General Matters. Vol. II. 1958–1960. Washington, D.C., 1988. 78–80.

²⁹ Eisenhower. *op. cit.* 507.

U.S. policies and objectives in the “third world” and in Communist Eastern-Europe.

3. “Building bridges” and the impact of the Vietnam War on the U.S.–East-European relations

At the death of John F. Kennedy, his successor, Lyndon B. Johnson promised continuity both in domestic and international affairs. With reference to the Communist countries, he proposed to “build bridges”—though the metaphor did not apply exclusively to this group of the countries. The Eisenhower Administration made some weak attempts to open up “new paths” between the East and the West, but Soviet intransigence made the initiative a dead issue at the Geneva Summit in 1955.³⁰ Lyndon Johnson himself, who was the Senate majority leader at that time, suggested the introduction of an “open curtain” policy in New York in 1957; this approach was at variance with the current Republican policies but it meshed with John F. Kennedy’s ideas. As a matter of fact, it was even more radical than those because Kennedy believed that it was only Poland and Yugoslavia that should benefit from the liberalization of American policies toward the East-European satellites.

President Johnson announced his new approach at the opening of the George C. Marshall Library at the Virginia Military Institute in Virginia on May 23, 1964. He pledged himself to continue Marshall’s vision “to build bridges—bridges of trade, travel, and humanitarian assistance—across the gulf that divide us from Eastern Europe.”³¹ However, the “liberal” Johnson had to be cautious because of his Republican opponents and the conservative—mostly Southern—politicians of his party. Thus, he welcomed the opportunity that the Chamber of Commerce, after its conference held in the White House in 1963, urged the liberalization of the East-West trade: Johnson supported the establishment of further economic ties with the Communist bloc and, at the same time, effected considerable changes in the cultural exchange programs and political relations as well.

The Johnson Administration wished to gain broader support for its foreign political initiatives than its predecessor. The most prominent

³⁰ Johnson, Lyndon B. *The Vantage Point*. New York, 1971. 471.

³¹ See McKitterick. *op. cit.* 1–2.

members of the administration appeared before the various committees on Capitol Hill. Secretary of State Dean Rusk spelt out the guiding principles of the administration toward the Communist countries before the Senate Foreign Relations Committee: (1) to prevent the Communists from gaining more ground and to make it as expensive and useless for them as possible; and (2) to encourage the establishment a larger degree of independence and the evolutionary processes leading to an "open" society within the Communist bloc.³² Assistant Secretary of State Averell Harriman elaborated on the latter point before the same forum: the East-European peoples should freely decide what form of government they wished to live under, they should entertain "natural relationships" with their neighbors, including the Soviet Union. This last point echoes the statement made by John Foster Dulles in Dallas on October 26, 1956; it is less known, though, that President Johnson advised his Ambassador to Warsaw, John A. Gronouski that besides working on the establishment of the Polish-American friendly relations he should not put the Polish in a situation, which might result in the deterioration of the Polish-Soviet relationship because "the primary interest of the U.S. is the good relations with the Soviet Union."³³

However, the slow but gradual improvement of the relations between the U.S. and the East-European countries was arrested by the Vietnam War. While Secretary of State Rusk held a number of bilateral meetings with Foreign Ministers Péter (Hungarian), Gromiko (Soviet), David (Czechoslovak), Manescu (Rumanian), and Winewicz (Polish) at the UN in 1965, the escalation of the war erected unsurmountable barriers on both sides before the further improvement of the relations. The U.S. found itself in a deadlock: it wished to improve the relations with the East-European Communist countries to counterbalance the effects of the Vietnam War, but it had to move very carefully because the Soviet Union had acquired a new importance in the eyes of the American leaders: they thought that the key to solve the Southeast-Asian situation was in Moscow. Thus, they did not want to "disturb" the Soviet leadership with an increased degree of activity in Easter-Europe. At the same time, the Americans

³² The Hungarian Chargé, János Radványi's report of his conversation with the Czechoslovak Ambassador, Drozniak. New Hungarian Central Archives, KÜM XIX-J-1-j, USA TÜK Box 13, 4-1. 103. 001303/11.

³³ Fulbright, J. William. *The Arrogance of Power*. New York, 1966. 120-121.

tried to make use of the Polish, the Hungarians, and the Rumanians in their half-secret negotiations with the North-Vietnamese. All these efforts were almost doomed from the beginning because the U.S. emphasized that it was waging a war against the **Communists** in Vietnam, and not against the Vietnamese; this attitude alienated those East-European countries which might not have deemed the Vietnam War so important from their point of view, provided it had not been against their comrades. Sen. J. William Fulbright recalls an incident that “an Eastern European diplomat told me that he regarded the Vietnam War as remote to the concerns of his own country except when he read statements in the American press celebrating the number of “communists” killed in a particular week or battle. Then, he said he was reminded that America considered itself to be at war not merely with some Vietnamese rebels but with Communists in general.”³⁴ It is true, though, that in the latter case, it would have been the American public that would have withdrawn its support from the war even at the beginning of the conflict. Of course, it was not only the Vietnam War that worked against the relaxation of the East-West tension. The ideological orthodoxy in the East-European satellites contributed to the failure to a large degree too, as the American Ambassador to Czechoslovakia Jacob D. Beam writes in his memoirs: “I soon had to realize that President Johnson’s ‘bridge-building’ program is not for Novotny...”³⁵ The Vietnam War served as good excuse for blocking the “bridgeheads” and resuming ideological confrontation on both sides: it became more and more difficult to maintain the idea of seeking rapprochement with the enemy in the U.S.—one of the “victims” of this atmosphere was the killing of the East-West Trade Relations Act in 1966—, while the “anti-imperialists” voices grew stronger on the other side and resulted in such actions as the “spontaneous” demonstration in front of the American Embassy in Budapest in February 1965.

The most ambitious economic plan of the Johnson Administration was its attempt to place the East-West trade relations on a new basis. The President appointed a committee under the chairmanship of J. Irwin Miller in October 1964. The task of the Miller-committee was to

³⁴ Beam, Jacob D. *Multiple Exposure*. New York, 1978. 152.

³⁵ For the full text of the Report see *American Foreign Policy. Current Documents*, 1965. Washington, D.C., 1968. 532–537; or DSB, Vol. LIV, NO. 1405. May 30, 1966. 845–855.

suggest ways to revive the East-West trade relations. Lyndon Johnson justified the operation of the committee by declaring in his message to Congress on February 10, 1965 that with a view to improve the balance of payments of the country, the volume of trade should be enhanced. The Miller-committee handed the White House its report on April 29. Its major recommendations and findings were as follows: "... 12. There is little doubt that the East European Communist countries are interested in purchasing more from the U.S. than they do now—principally machinery, equipment, complete plants, and technical data. This advanced technology could provide the U.S. with some of its most effective bargaining leverage for trade negotiations with Communist countries. ... 13. If we relaxed some of our restrictions, purchases from European Communist countries from the U.S. would probably rise in the short term. But their lack of foreign exchange would soon limit trade. In this sense, foreign exchange, rather than present U.S. export controls, is the major limitation on the potential for this trade. ... 14. The Committee has seen various estimates of our possible exports to the USSR and Eastern Europe over the next decade; none suggests that this trade could constitute a significant part of our total trade ... Whenever possible, we should use such /trade/ negotiations to gain agreements or understandings on such matters as library and information facilities, embassy quarters, the establishment of consulates, the jamming of broadcasts, the distribution of Government and other publications, and the initiation or expansion of cultural and technical exchanges ... 24. Trade with the U.S. should put pressure on Communist countries to move away from the rigid bilateralism ... it should encourage them to become more heavily engaged in the network of world trade and committed to the Western practices ... 25. U.S. aims in these negotiations must be political: we seek to encourage moves toward the external independence and internal liberalization of individual Communist countries. We are not interested in fostering animosities among European Communist nations. ... 36. Apart from the commercial risks, it is important to recognize that long-term credits could run counter to the central purpose of this trade and reduce its potential political benefits.”³⁶ The Report was accepted by each of the 12-member committee, except for Nathaniel Goldfinger, the Director of Research of the AFL–CIO. The

³⁶ DSB, Vol. LIV, No. 1405, May 30, 1966, 855.

trade union organization had already clashed with the administration over the sale of corn to the Soviets in the early 1960s, and now its representative again emphatically gave voice to their political concerns regarding the proposed East-West Trade Bill. Goldfinger declared that “ ... /T/rade relations with the Soviet Union and its European satellites should be viewed as a tool of our Nation’s foreign policy. Therefore, the Report should have placed greater emphasis on the political aspect of this issue. ... Moreover, we should have no illusions about the ability of trade, in itself, to alter Communist attitudes and policies ... Recognition of these realities should result in greater emphasis on the principle of *quid pro quo* concessions than is contained in the Report. In my opinion, there should be no expansion of trade, extension of Government-guaranteed credit or MFN /most favored nation/ tariff treatment without political *quid pro quo* concessions from them. ...”³⁷ The gist of the debate was whether the so-called spillover effect was a proper strategy to deal with the Communist countries or not. The idea was that gains in one field, say, in trade, will influence other areas, for instance political life. Actually, the goal was to turn the economic, cultural, and technical exchange gains into political capital—and that is exactly why the leaders of the Communist countries were afraid of opening even toward seemingly innocent fields, like scientific exchanges or even art exhibitions.

The East-West Trade Relations Bill was killed in Congress. Consequently, President Johnson issued an Executive Order on October 7, 1966 in which he stated that it was a “national security interest” for the U.S. to provide credits to Czechoslovakia, Poland, Hungary, and Bulgaria through the Export-Import Bank.³⁸ The Johnson Administration took every opportunity to “educate” the American people, to explain them that the unilateral embargo-policy hurt only the U.S., while the West-European countries took the opportunity to fill in the vacuum and established lucrative trade relations with the eastern half of the continent. The data suggest the victory of the conservatives on both sides: the GDR, Czechoslovakia, Hungary, Rumania, and Bulgaria exported into the U.S. in the value of

³⁷ American Foreign Policy. Current Documents, 1966. Washington, D.C., 1969. 438.

³⁸ The data are taken from the Hungarian Commercial Councillor Endre Kovács’s report on April 29, 1968. New Hungarian Central Archives, KÜM XIX-J-1-j, USA TÜK 4–5. 00316/3.

a total of 45.6 million dollars in 1966 (Czechoslovakia's share alone amounted to 27.2 million), while the figure for 1967 was only 44.7 million dollars. The American export into these countries amounted to 102.9 and 74.8 million dollars respectively. As for Poland and Yugoslavia, they exported into the U.S. in the value of 157.1 and 177.8 million dollars, and imported 226.4 and 157.4 million respectively in 1967. This downward curve took an even deeper dive with the crushing of the Prague Spring and modest increase came only with the new "multipolar" approach and "linkage" policies of the Nixon Administration.

